



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0291	Title:	Allow creation of high school districts
Primary Sponsor:	Perry, Gary L	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$255,485	\$206,513
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>(\$255,485)</u>	<u>(\$206,513)</u>

FISCAL ANALYSIS

Assumptions:

1. Section 1 revises the moratorium on new high school districts to allow creation under certain circumstances of a high school district for the purpose of expanding into a K-12 district. One school district has expressed interest in applying this provision to their circumstances. That district is Ophir Elementary district in Gallatin County.
2. The ANB at Bozeman High School who live within the Ophir elementary district is estimated at 60 for FY 2008 and 60 in FY 2009.
3. Ophir Elementary district and Bozeman High School district in Gallatin County are not eligible for guaranteed tax base aid in FY 2008 or FY 2009.
4. A portion of the Bozeman High School territory would transfer to Ophir K-12 (Taxable valuation = \$14.55 million). The taxable valuation impact to Bozeman High School would not be affect Bozeman until FY 2011 making Bozeman High School District eligible for GTB in FY 2011 and beyond at a cost of \$103,614.
5. The high school district the ANB is moved from does not lose the ANB until the second year of operation for the new district, but the new high school will receive per-ANB entitlement for the same ANB. Therefore, in FY 2010 ANB is counted in each district and DSA is paid to each district for the same ANB.
6. The new high school district would receive funding for a high school basic entitlement that had not been a part of the previous formula.

7. If the Ophir district converts to a K-12 district, the state will pay additional DSA and GTB between the two high schools as indicated in the following table.

		<u>FY 2010</u>	<u>FY 2011</u>
Ophir HS	Per-ANB DSA	\$152,586	\$152,586
Ophir HS	Basic DSA	\$102,899	\$102,899
Bozeman HS	GTB		\$103,614
Bozeman HS	Per-ANB DSA		(\$152,586)
TOTAL		\$255,485	\$206,513

8. The new high school district at Ophir would not be eligible to debt service facilities reimbursement for bonding due to the high taxable values of that area.
9. For the purposes of this fiscal note, it is assumed that, given the planning horizon necessary for building and equipping a new high school, Ophir will not open a new high school during the 2009 biennium.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Local Assistance	\$0	\$0	\$255,485	\$206,513
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$255,485	\$206,513
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	(\$255,485)	(\$206,513)

Effect on County or Other Local Revenues or Expenditures:

1. The trustees in the new K-12 district will be required to impose a levy to generate an amount equivalent to the BASE budget mills for the existing high school district assessed against the taxable valuation of the new K-12 district. The K-12 district must pay this amount to the existing high school district until the new K-12 school district enrolls K-12 students in all high school grades.
2. For the existing high school district, monies received from the new K-12 district will be deposited in the district general fund and used to reduce the BASE budget levy.

Long-Range Impacts:

It is anticipated that there is only one circumstance in Montana that will lead to the creation of a new high school district under SB 291 (given the geographic and accessibility restrictions in SB 291). For the purpose of this fiscal note, it is assumed that no elementary district will complete the process of converting to a K-12 district and open a new high school before the end of the 2009 biennium.

Sponsor's Initials

Date

Budget Director's Initials

Date